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'03 JUN 20 05:00

UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF NEVADA

In re

AMERCO, a Nevada corporation,

Debtor.

BK-03- 52103 -GWZ

Chapter 11

**STIPULATED ORDER AUTHORIZING
SENSUAL USE OF CASH
COLLATERAL AND GRANTING
ADEQUATE PROTECTION**

Hearing Date: June 20, 2003

Hearing Time: 3:00 p.m. P.D.T.

Based on the Emergency Motion for Entry of Stipulated Order Authorizing Consensual Use of Cash Collateral and Granting Adequate Protection (the "**Motion**") and on agreement (the "**Stipulation**") of AMERCO, as debtor and debtor in possession in this chapter 11 case (the "**Debtor**"), and JPMorgan Chase Bank acting as administrative agent on behalf of the lenders under the Credit Agreement (defined below) (JPMorgan Chase Bank and the lenders under the

Credit Agreement collectively, the "**Secured Creditor**"), the Court finds and concludes that (the "**Stipulated Order**");

FINDINGS AND CONCLUSIONS

A. The Debtor commenced this case (the "Bankruptcy Case") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") on June 20, 2003 (the "Petition Date") in this Court. The Debtor has continued to operate its business and manage its affairs as debtor in possession under Bankruptcy Code §§ 1107(a) and 1108.

B. As of the date hereof, no statutory committee has been appointed in the Debtor's chapter 11 case.

C. The Debtor is a holding company with four first tier subsidiaries that operate several lines of business through additional subsidiaries. The first tier subsidiaries are: U-Haul International, Inc. ("**UHI**"), which is a dominant player in the self-move and self-storage markets with a fleet of 96,000 trucks, 87,000 trailers, and over 1,000 owned and managed storage locations nationwide; Amerco Real Estate Company, Inc. ("**AREC**"), which provides internal real estate development and maintenance services to AMERCO and currently owns or leases more than 900 properties; Oxford Life Insurance ("**Oxford**"), which provides consumer-oriented life, annuity, disability income, and health insurance products and is licensed in 48 states and the District of Columbia; and Republic Western Insurance Company ("**RepWest**"), which offers property and casualty insurance and is licensed in 49 states.

D. As described in the Debtor's "Motion for An Order Under 11 U.S.C. §§ 105(a), 345 and 363: (A) Allowing Debtor To Maintain Existing Bank Accounts, etc," (the "**Cash Management Motion**") the Debtor and its subsidiaries operate a sophisticated cash management system that collects the revenue from every subsidiary into a main concentration account from which it funds other accounts to pay amounts that the Debtor and its subsidiaries owe to lenders and vendors. The Debtor's cash management system is tied to a book account system that tracks,

for each subsidiary, as intercompany payables or receivables the amount that each company within the corporate group owes to another based on these net cashflows.

E. The Debtor and its subsidiaries may also have borrowed money from and loaned money to other members of the corporate group. The obligations among the corporate group members have been recorded as additional intercompany receivables.

F. On June 28, 2002, the Debtor entered into a three-year credit facility with a syndicate of ten banks (the "**Lenders**"),¹ administered by JPMorgan Chase as agent, for \$205 million (the "**Credit Agreement**")² guaranteed by 76 subsidiaries of the Debtor (the "**Guarantors**"), including the two first-tier subsidiaries UHI and AREC.³ As one of the conditions to the Lenders' loans of funds under the Credit Agreement (the "**Secured Loan**") (Motion Exhibit B – Rosenberg Decl. Ex. 2 § 4.01(l)), the Guarantors collectively executed a guaranty of all amounts owed to the Lenders under the Credit Agreement (the "**Guaranty**").⁴

G. As security for the Secured Loan, the Debtor and each of the Guarantors executed a pledge agreement (the "**Pledge Agreement**")⁵ under which they granted a first priority security interest in existing and future intercompany receivables, proceeds thereof, and any instruments evidencing the intercompany receivables (the "**Collateral**") to the Secured Creditor to secure the Secured Loans. (Rosenberg Decl. Ex. 5 § 2.) The Debtor and each of the Guarantors simultaneously executed a promissory note (the "**Note**") evidencing the intercompany loans and advances owing to the Debtor and each of the Guarantors.⁶ The rights of the Debtor or Guarantors to demand payment of any of the intercompany receivables is subordinated to the rights of the Secured Creditor. (Rosenberg Decl. Ex. 6 ¶ 1, at p. 2.).

¹ A list of the ten Lenders was attached as Exhibit 1 to the separately filed "Declaration of Stacey Rosenberg Regarding JPMorgan Chase Bank Loan Documents in Support of Emergency Motion for Entry of Stipulated Order Authorizing Consensual Use of Cash Collateral and Granting Adequate Protection and Exhibits to that Declaration." (Decl. of Stacey Rosenberg Ex. 1.)

² A copy of the Credit Agreement was attached as Exhibit 2 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 2.)

³ A list of the Guarantors was attached as Exhibit 3 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 3.)

⁴ A copy of the Guaranty was attached as Exhibit 4 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 4.)

⁵ A copy of the Pledge Agreement was attached as Exhibit 5 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 5.)

⁶ A copy of the Note was attached as Exhibit 6 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 6.)

H. The Secured Creditor perfected its first priority security interests in the Collateral of the Debtor and each Guarantor by filing UCC-1 Financing Statements in the applicable jurisdictions of the Debtor and each of the Guarantors.⁷ Each of the UCC-1 Financing Statements contains the same description of the Collateral securing the Secured Loan:

All indebtedness, advances, accounts receivable and all other liabilities and obligations owed to the [d]ebtor from any of the companies (other than the [d]ebtor) listed on Exhibit "A" hereto, the instruments evidencing such indebtedness, advances, accounts receivable, liabilities and obligations, together with all of [d]ebtor's interest in any accounts or general intangibles relating to the foregoing, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness, advances, accounts receivable, liabilities and obligations. (Rosenberg Decl. Ex. 7)

I. The Secured Creditor also took possession of the Note and has continued to possess the Note since taking possession on June 28, 2002, establishing an additional basis of perfection in its Collateral.

J. Some or all of the Collateral is cash collateral as defined in section 363(a) of the Bankruptcy Code⁸ (the "**Cash Collateral**"). The continued use of the Debtor's cash management system, while integral to the Debtor's business, necessarily requires the use of the Secured Creditor's Collateral, including the Cash Collateral. Under section 363(c)(2), the Debtor must obtain either the Secured Creditor's consent or this Court's approval to use the Cash Collateral.

K. The Debtor has been in default under the terms of the Credit Agreement since October 15, 2002. Upon notice of these defaults, the Debtor, the Guarantors, and the Secured

⁷ Copies of the official acknowledgments from the secretary of state of each jurisdiction in which the Debtors and the Guarantors are incorporated of the filing of the financing statements (including copies of the applicable financing statements) were attached as Exhibit G to the Rosenberg Declaration. (Rosenberg Decl. Ex. 7.) The Secured Creditor did not file a financing statement with respect to U-Haul Co. of Tennessee, but the Collateral pledged by this Guarantor was evidenced by the Note and thus the Secured Creditor has a perfected lien on this Collateral though possession of the Note.

⁸ Section 363(a) defines cash collateral as "cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest and includes the proceeds, products, offspring, rents, or profits of property . . . subject to a security interest as provided in section 552(b) of this title, whether existing before or after the commencement of a case under this title." 11 U.S.C. § 363(a). Thus section 363 and 552(b) specify that a perfected security interest in prepetition intercompany receivables, as well as any postpetition proceeds, product, or profits from the use of those intercompany receivables, such as additional intercompany receivables, constitute cash collateral, which is entitled to adequate protection under section 363(e), and which the debtor may not use without the consent of the entity who has an interest in the cash collateral. 11 U.S.C. §§ 363(c)(2)(A) and 363(e).

Party entered into a standstill agreement in November 2002 (the "**Standstill Agreement**"⁹ and, collectively with the Credit Agreement, the Guaranty, the Pledge Agreement, and the Note, the "**Loan Documents**"). The defaults identified in the Standstill Agreement included: (a) on or prior to October 15, 2002, the Debtor failed to comply with Credit Agreement Section 5.12, requiring the Debtor pay down \$150,000,000 of intercompany receivables of the Debtor or its subsidiaries or other financings (Rosenberg Decl. Ex. 2 §§ 5.12 and 8(d)); and (b) on October 15, 2002, the Debtor defaulted on a \$100,000,000 payment of asset backed notes and AREC failed to provide security interests on real property as required under a private placement of notes (Rosenberg Decl. Ex. 2 § 8(f)). (Rosenberg Decl. Ex. 8 § 1 "Existing Defaults.") Under the terms of the Standstill Agreement, which was specifically incorporated as a part of the Credit Agreement and Loan Documents, (Rosenberg Decl. Ex. 8 § 10), the Debtor agreed to pay an additional 2% of interest on the outstanding loan balance of \$205 million until the defaults were cured (Rosenberg Decl. Ex. 8 § 6).

L. As of June 28, 2002, the net obligations owed to the Debtor under intercompany receivables and evidenced by the Note was \$517,200,000. (Rosenberg Decl. Ex. 5 Sch. I.) Since then, the Debtor and its subsidiaries have made numerous intercompany transfers, such that the Debtor and the Secured Creditor do not currently know the precise amount of the intercompany receivables owing and evidenced by the Note. The Debtor and the Secured Creditor believe that the amounts owed to the Debtor exceed the amounts owing under the Credit Facility. The Debtor acknowledges, however, that its continued use of the Collateral, including the Cash Collateral, may result in a material reduction in the Collateral's value and that if the Debtor's reorganization is unsuccessful or if any of the Debtor's material subsidiaries filed a case under the Bankruptcy Code or ceased operation of its business, the value of the Collateral, including the Cash Collateral, could drop precipitously.

⁹ A copy of the Standstill Agreement was attached as Exhibit 8 to the Rosenberg Declaration. (Rosenberg Decl. Ex. 8.)

M. The Debtor has had the opportunity to review the Loan Documents and the UCC-1 Financing Statements as it determined was appropriate to determine the validity, enforceability, unavailability, and amount of the Secured Loan and the validity, enforceability, perfection, unavailability, and amount of the Secured Creditor's security interest under the Credit Agreement in the Collateral, including the Cash Collateral. [The Debtor acknowledges and agrees that the Secured Loan constitutes a legal, valid, and binding obligation of AMERCO and the Guarantors, enforceable in accordance with its terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), no offsets, defenses, or counterclaims to the Secured Loan exist, and no portion of the Secured Loan is subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law.]

N. The Debtor intends to enter into and seek approval from this Court under section 364 of the Bankruptcy Code of debtor-in-possession financing (the "**DIP Facility**"), to provide funds as part of its restructuring efforts. The Debtor contemplates that the DIP Facility Lender will require as collateral to secure the DIP Facility a first priority lien on substantially all of the Debtor's assets, including the Debtor's intercompany receivables in which the Secured Creditor currently has a security interest, but excluding the real property that is subject to existing synthetic leases with AREC and the so-called "SAC Notes." The Debtor may be able to provide such a lien on its assets to secure the DIP Facility only by payment in full of all amounts owing under the Credit Agreement, including the fees and expenses described below. Accordingly, the Debtor contemplates that one of the uses of the proceeds of the DIP Facility may be the payment in full of the Secured Loan to obtain a release of the collateral securing the Secured Loan.

O. Until this Court approves the DIP Facility, the Debtor must use the Cash Collateral to continue operating its business with the least interruption and cost during its reorganization and to preserve and enhance the value of its assets and property.

P. The Debtor believes that it is in the best interests of the estate and its creditors to agree to the terms and conditions of this Stipulated Order and to seek this Court's approval of this

Stipulated Order. At the Debtor's request, the Secured Creditor has consented to the Debtor's use of the Cash Collateral on the terms and conditions of this Stipulated Order.

Q. The Secured Creditor has also made a good faith request for adequate protection of its interests in the Collateral, including the Cash Collateral. Under the Bankruptcy Code, and in light of the risk of the decline in value of the Collateral, including Cash Collateral, the Debtor is required to provide adequate protection to the Secured Creditor in respect of the Debtor's use of the Collateral and Cash Collateral and the decline in value thereof. The treatment of the Secured Creditor's lien on Collateral requested by the Debtor and provided in this Stipulated Order will minimize disputes and litigation over collateral values, priming, use of Cash Collateral, and the need to segregate and separately account for the Collateral and the proceeds thereof.

R. Based on the foregoing, the Secured Creditor is willing to allow the Debtor to use the Cash Collateral, subject to the terms and conditions set forth in this Stipulated Order, and the provisions of this Stipulated Order assuring that the liens granted in Postpetition Collateral (defined below at ¶ 6(c)) and other protections granted as adequate protection under this Stipulated Order will not be affected by any subsequent reversal or modification of this Stipulated Order or any other order, as provided in section 364(e) of the Bankruptcy Code, which is applicable to the use of Cash Collateral and the liens granted in the Postpetition Collateral contemplated by this Stipulated Order. The Secured Creditor has acted in good faith in consenting to and in agreeing to provide the Debtor's use of Cash Collateral contemplated by this Stipulated Order and the reliance of the Secured Creditor on the assurances referred to above is in good faith.

S. Notice of the Motion has been provided (by hand, telecopy, overnight mail, or courier) to, among others, counsel to the Secured Creditor, the United States Trustee, and the holders of the twenty largest unsecured claims against the Debtor. In view of the urgency of the relief requested, the notice of the Motion and of the Stipulated Order is appropriate under the

circumstances under Federal Rule of Bankruptcy Procedure 4001, and no other notice need be given.

T. The Debtor and the Secured Creditor have been represented and advised by counsel with respect to this Stipulated Order, and have entered this Stipulated Order freely and voluntarily. The terms and conditions of the Debtor's use of the Cash Collateral are fair and reasonable under the circumstances and were negotiated in good faith at arm's length.

U. There is good cause, and it is in the best interests of the Debtor's estates and their creditors, that the Debtor be authorized to use the Cash Collateral, under the terms and conditions of this Stipulated Order.

V. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

ORDER

Without in any way admitting or suggesting that the interests of the Secured Creditor are adequately protected, it is ordered:

1. Findings and Conclusions. The findings and conclusions set forth above are true and correct in all respects and by this reference are incorporated into and made a part of this Stipulated Order.

2. Authorization to Use Cash Collateral. The Debtor may use the Cash Collateral in accordance with and subject to the terms and conditions of this Stipulated Order until a Termination Event (defined below). Except as otherwise expressly provided in this Stipulated Order, the Cash Collateral may not be used, sold, leased, or otherwise disposed of in any manner, in whole or in part, by any entity, including the Debtor, without the Secured Creditor's prior written consent.

3. Ordinary Course Limitation on Use. The Debtor may use the Cash Collateral only in the ordinary course of business and only to pay ordinary, necessary, actual, and reasonable

business expenses when and as these expenses become due. The Debtor may not use any Cash Collateral for any other purpose without the prior written consent of the Secured Creditor.

4. Value of the Collateral. The Debtor stipulates that the value of the Collateral as of the Petition Date exceeds the amount of the Secured Creditor's claims against Debtor, as set forth in paragraph 5 below.

5. Allowed Claims. The Secured Creditor shall have an allowed claim in the Bankruptcy Case in the amount equal to the sum of the following items, reduced by any amounts actually paid under paragraph 6 below:

- (a) Principal in the amount of \$205 million as of the Petition Date;
- (b) Interest accrued but unpaid as of the Petition Date;
- (c) Fees, costs, and other expenses incurred under the Loan Documents but unpaid as of the Petition Date;
- (d) Interest on principal at the rate provided in the Loan Documents each day from and after the Petition Date, as provided in Bankruptcy Code section 506(b); and
- (e) Reasonable fees, costs, and other expenses incurred by the Secured Creditor and payable by the Debtor under the terms of the Loan Documents on or after the Petition Date, as provided in Bankruptcy Code section 506(b).

6. Adequate Protection. As adequate protection for any diminution in value of the Secured Creditor's interest in the Collateral, including the Cash Collateral, as required under Bankruptcy Code §§ 361, 363(c), and 363(e), in compliance with Bankruptcy Code § 506(b), and in consideration of the Secured Creditor's consent to the Debtor's use of the Cash Collateral:

- (a) Interest. The Debtor shall pay interest on the Secured Loan, in advance, at the non-default rate of interest specified in the Loan Documents, but without prejudice to the right of the Secured Creditor to claim interest at the default rate specified in the Standstill Agreement and other Loan Documents.
- (b) Attorneys' Fees and Costs and Expenses. Within 10 days of demand by the Secured Creditor, the Debtor shall pay any fees, costs, and expenses payable under the Loan Documents, including, the fees and disbursements of counsel, financial advisors, and consultants, whether incurred before or after the Petition Date, subject only to this Court's review for reasonableness, on the request of the Debtor or a party in interest within 20 days of the date of demand by the Secured Creditor.

(c) [Additional Collateral]. The Secured Creditor shall have a first priority, valid, enforceable, perfected, and unavoidable replacement and additional lien on all of the Debtor's intercompany receivables that arise after the Petition Date (the "**Postpetition Collateral**"), to secure the Secured Loan.]

(d) [Section 552]. The Secured Creditor's lien on and security interest in the Collateral continues in the proceeds and profits of the Collateral as provided in section 552(b) of the Bankruptcy Code without exception by the Court, subject to the Secured Loan and Loan Documents.]

(e) Compliance with Loan Documents. Except to the extent modified by this Stipulated Order or by operation of the Bankruptcy Code or by order of this Court, the Debtor shall comply with and perform all its covenants and obligations as set forth in the Loan Documents, including payment of interest at the non-default rate without prejudice to a claim for interest at the default rate, and reasonable fees, costs, and other expenses payable to the Secured Creditor.

(f) Cash Management System. The Debtor shall maintain a cash management system substantially similar to that in place under the Loan Documents and otherwise acceptable to the Secured Creditor in its sole discretion.

(g) Guidelines and Requirements of the United States Trustee. The Debtor shall timely perform and satisfy all requirements applicable to Debtor under the Guidelines and Requirements of the United States Trustee, except as such Guidelines and Requirements are altered by order of this Court.

(h) Books and Records. The Secured Creditor and any successors, will be given access to the books, records, and documents of the Debtor and its subsidiaries during normal business hours and without interfering with the Debtor's operations, including the following: check registers (general disbursements, other disbursements), general ledgers, journal entries, payroll journals, cash activity reports, aged accounts receivable, aged accounts payable, bank reconciliations, canceled checks, bank debit and credit advices, bank statements, leases, and contracts.

(i) Financial Statements. The Debtor shall provide to the Secured Creditor the following reports and information: (i) all documentation and reports, including monthly operating statements, required under the Loan Documents; (ii) such other information that the Secured Creditor may from time to time reasonably request; and (iii) any documents or information provided to any creditors' committee that may be appointed in this or a related chapter 11 case.

(j) Bankruptcy Case Documents. The Debtor shall serve the Secured Creditor, at the same time as service on other parties in interest, with copies of all pleadings, papers, motions, applications, notices, orders, reports and other information or documents filed or served in the Bankruptcy Case or filed with the Office of the United States Trustee (the "**Papers**"). Until all amounts payable or owing under the Loan Documents and this Stipulated Order have been paid in full, the Debtor will give prior notice to the Secured Creditor of the filing of any material Papers.

7. Postpetition Collateral. The grant of the lien on the Postpetition Collateral is in addition to all liens and rights existing in favor of the Secured Creditor as of the Petition Date and upon this Court's approval of this Stipulated Order, is automatically valid, perfected, enforceable, unavoidable, and effective as of the Petition Date without the execution, delivery, filing, or recordation of any financing statements, instruments, or other documents under applicable non-bankruptcy law. The Secured Creditor's lien on the Postpetition Collateral is senior to all claims, liens, and interests arising on or after the Petition Date on property of the Debtor or of the estate. The Debtor shall execute and deliver such financing statements, instruments, and documents as the Secured Creditor may reasonably request with respect to the Postpetition Collateral, and the automatic stay of Bankruptcy Code § 362(a) is modified to the extent necessary to permit the Secured Creditor to request, receive, file, or record such financing statements, instruments, and documents.]

8. Validity of Liens and Actions Against Secured Creditor. The Debtor, on behalf of the Debtor and the estate, but not on behalf of any other party in interest in the Bankruptcy Case, has stipulated that the Secured Creditor has a perfected, enforceable, unavoidable first priority lien on the Collateral. The Debtor may not seek to recover any amount from or avoid any transfer to or lien or other interest of the Secured Creditor on account of any claim, right, action, cause of action, or liability including any claim, right, action, cause of action, or liability that may exist or arise under Bankruptcy Code sections 506, 510, 541, 542, 544, 547, 548, 549, 550, 552, or 553. The Debtor waives any and all rights to subordinate any or all of the Secured Creditor's claims, liens, or security interests to any other claims, liens, or security interests under section 510(c) of the Bankruptcy Code or otherwise.]

9. Procedure for Challenging Liens. Notwithstanding paragraphs H, L, and 8 of this Stipulated Order, all parties in interest in the Bankruptcy Case other than the Debtor, including any official committee appointed under Bankruptcy Code section 1102, shall have until the earlier of 90 days after the Petition Date or 60 days after the date of entry of the Bankruptcy

Court's final order approving this Stipulated Order (the "Review Period") to bring any claim, right, action, cause of action, or liability (a) to challenge the amount, allowance, nature, extent, validity, enforceability, or priority of the Loan Documents or the Secured Creditor's pre-Petition Date claims, liens, or interests, (b) to recover any amount from the Secured Creditor on account of any pre-Petition Date claim, right, action, cause of action, or liability, including any claim right, action, cause of action, or liability that may exist or arise under Bankruptcy Code sections 506, 510, 541, 542, 544, 547, 548, 549, 550, or 553, or (c) to subordinate any or all of the Secured Creditor's claims, liens, or security interests to any other claims, liens, or security interests. After the Review Period, each party in interest in the Bankruptcy Case, whether for itself or on behalf of the estate: (i) will be forever barred from bringing any action against the Secured Creditor described in the preceding sentence of this paragraph; and (ii) the Secured Creditor's claims, liens, and security interests, including the Postpetition Collateral and the interest, fees, costs, and expenses set forth in this Stipulated Order, will be conclusively allowed, enforceable, perfected, valid, and unavoidable. *The time periods set forth in this paragraph are subject to extension by order of the court for good cause shown.*

10. Automatic Stay. The automatic stay imposed by section 362 of the Bankruptcy Code is terminated to the extent necessary, if any, to authorize any payment under this Stipulated Order and to implement and effectuate the terms and conditions of the Stipulated Order. In all other respects, but without prejudice to the Secured Creditor's right to seek relief from stay, the automatic stay, including the stay against the enforcement by the Secured Creditor of its claims, shall remain in effect during the pendency of this chapter 11 case, subject to further order of this Court. *Via JLR*

11. Termination Without Notice of Right to Use Collateral. The Debtor's right to use the Cash Collateral shall automatically terminate immediately without notice, demand, order, or other action, if any of the following events (each a "Termination Event") occurs:

- (a) *June 30, 2003 has* ~~5 days have~~ passed after the Petition Date without entry of this Stipulated Order. *VCD JLR*

(b) 30 days have passed after the Petition Date without entry of a final order approving this Stipulated Order.

(c) 45 days have passed since the entry of the Bankruptcy Court's final order approving this Stipulated Order;

(d) The Debtor has paid in full all amounts and claims payable or owing under the Loan Documents and this Stipulated Order;

(e) Entry of an order of the Bankruptcy Court prohibiting the Debtor from using the Cash Collateral;

(f) Failure of the Debtor to comply with any material terms, conditions, or covenants contained in this Stipulated Order or the Loan Documents;

(g) Entry of an order of the Bankruptcy Court disapproving the proposed DIP Facility;

(h) Failure of the Debtor to use the proceeds of a DIP Facility that has been approved by an order of the Bankruptcy Court to pay in full all amounts and claims payable or owing under the Loan Documents and this Stipulated Order;

(i) The Debtor ceases to operate all or substantially all of its business as presently conducted;

(j) The Debtor has sold all or substantially all of the property of the estate;

(k) Entry of an order of the Bankruptcy Court ordering the appointment a trustee or an examiner with expanded or special powers to operate the Debtor's business in the Bankruptcy Case, dismissing the Bankruptcy Case, or converting the Bankruptcy Case to a case under chapter 7;

(l) Entry of an order of the Bankruptcy Court authorizing a lien under sections 364(c) or 364(d) on the Collateral or the Postpetition Collateral to secure any credit obtained or debt incurred, including the DIP Facility, by AMERCO, UHI, or AREC that would be senior or equal to any lien held by or granted to the Secured Creditor under the Loan Documents or this Stipulated Order;

(m) The fixing of a lien on any Collateral owned by any of the Guarantors that is equal or senior to any lien held by or granted to the Secured Creditor under the Loan Documents or this Stipulated Order;

(n) Entry of an order of the Bankruptcy Court granting any relief from the automatic stay, which allows any entity to proceed against any material asset of the Debtor; or

(o) The filing of a motion by the Debtor, or the entry of an order by the Bankruptcy Court, to reconsider this Stipulated Order, alter or amend judgment of this Stipulated Order, denying the validity or extent of the Secured Creditors lien on the Collateral, or surcharging the Collateral.

12. Section 363(c)(2) and (c)(4). Upon the occurrence of a Termination Event, the Debtor may not use, sell, or lease the Cash Collateral, and shall segregate and account for any Cash Collateral in the Debtor's possession, custody, or control, and hold such Cash Collateral for the benefit of the Secured Creditor, subject to further order of this Court.

13. Authority for Debtor's Action. The Debtor is authorized and directed to perform all acts and execute and comply with the terms of such other documents, instruments, and agreements necessary to effectuate the terms and conditions of this Stipulated Order.

14. Section 364(e). Having been found to have acted in good faith in agreeing to the terms of this Stipulated Order, the Secured Creditor will be entitled to the full protection of Bankruptcy Code section 364(e) with respect to the Debtor's grant of the lien on the Postpetition Collateral created and authorized by this Stipulated Order in the event that this Stipulated Order or any authorization contained herein is stayed, vacated, reversed, or modified on appeal. Any stay, modification, reversal, or vacating of this Stipulated Order will not affect the validity of any obligation of the Debtor to the Secured Creditor incurred under this Stipulated Order. Notwithstanding any such stay, modification, reversal, or vacating, all uses of the Cash Collateral and all obligations incurred by the Debtor as adequate protection of the Collateral, including the Cash Collateral, as set forth in this Stipulated Order, that are incurred by the Debtor prior to written notice to the Secured Creditor of the effective date of such stay, modification, reversal, or vacating, will be governed in all respects by the original provisions of this Stipulated Order and the Secured Creditor will be entitled to all the rights, privileges, and benefits, including the lien on the Postpetition Collateral, that are granted by this Stipulated Order.

15. Loan Documents. The Debtor will continue to be bound by and perform the terms and conditions in the Credit Agreement except to the extent expressly provided otherwise in this Stipulated Order. In the case of any conflict between the Stipulated Order and the Loan Documents, this Stipulated Order controls.

16. No Surcharge. Notwithstanding the Secured Creditor's willingness to consent to use of its Cash Collateral under this Stipulated Order, the Secured Creditor's interest in the Cash Collateral shall not be subject to any cost, expense, claim, recovery, or surcharge whatsoever under section 506(c) of the Bankruptcy Code.]

17. Post-Petition Transfers. All post-petition transfers of property of the Debtor or the estate to the Secured Creditor or for the benefit of the Secured Creditor in accordance with this Stipulated Order or under the terms of the Loan Documents are authorized and are not subject to avoidance under section 549 or other provision of the Bankruptcy Code.

18. No Priming. The Debtor may not propose, or consent to a proposal, to obtain credit for or incur debt through the Debtor, UHI, or AREC that is secured by a lien that is senior or equal to the Secured Creditor's lien on the Collateral and the Postpetition Collateral without the prior written consent of the Secured Creditor.

19. No Waiver by Secured Creditor. This Stipulated Order shall be without prejudice to the right of the Secured Creditor to seek relief from the automatic stay of section 362(a) of the Bankruptcy Code, or any other relief in the Bankruptcy Case, including objections and claims relating to applications or motions for adequate protection, or the use, sale, or other disposition of the Collateral. Except as otherwise expressly set forth in this Stipulated Order, this Stipulated Order is not a waiver or modification of any of the Secured Creditor's rights, and the Secured Creditor does not have any obligation or duty to any other entity to exercise of any of its rights, remedies, claims, powers, benefits, and privileges. Delay in or failure to exercise any of its rights, remedies, claims, powers, benefits, or privileges does not constitute a waiver by the Secured Creditor, nor subject the Secured Creditor to any liability to any entity, and no other entity may rely upon any delay or failure or in any way seek to assert a defense to any obligation owing to the Secured Creditor based on any delay or failure.

20. Unenforceability. If this Court does not approve this Stipulated Order before a Termination Event for any reason, then this Stipulated Order has no effect, and neither the

Stipulated Order nor any action or procedure taken, nor any statement made, in connection with the negotiation, preparation, formulation or seeking approval of this Stipulated Order may be referred to by any entity in connection with any proceeding or action, whether in the Bankruptcy Case or elsewhere.

21. Actions by Debtor. The Debtor shall not request that this Court issue any order that impairs or changes the Secured Creditor's rights, remedies, claims, powers, benefits, privileges, liens, security interests or protections without the Secured Creditor's prior written consent. The Debtor shall not request and shall not acquiesce in any request for an order authorizing the use, sale, or other disposition of the Collateral, or the obtaining of credit or incurring of debt by the Debtor or its estate secured by any of the Collateral, without the prior written consent of the Secured Creditor. The terms and conditions of this Stipulated Order and the Loan Documents shall not be altered, modified, or affected by any other order without the prior written consent of the Secured Creditor.

22. Additional Cash Collateral Stipulations. If a Guarantor becomes a debtor under the Bankruptcy Code before a Termination Event under this Stipulated Order, and the Secured Creditor has a valid, first priority security interest in and lien on Collateral of the Guarantor, the Secured Creditor shall negotiate in good faith for a stipulation consenting to the Guarantor's use of cash collateral on terms comparable to those set forth in this Stipulated Order.

23. Standstill. Until a Termination Event under this Stipulated Order or further order of this Court, the Secured Creditor may not take any action to enforce its claims or security interests against UHI or AREC. However, if a creditor of UHI or AREC acts to enforce a material claim, lien, or security interest or takes action against a material asset of UHI or AREC, including filing an involuntary petition under the Bankruptcy Code, the Secured Creditor may enforce its claims or security interests against UHI or AREC.

24. Time is of the Essence. Time is of the essence with respect to all terms and conditions set forth in this Stipulated Order.

25. Stipulation Entered Freely. This Stipulated Order is intended to be enforceable according to its written terms, is an integrated agreement, and there are no promises, oral agreements, or expectations of the parties to the contrary. This Court may issue an order interpreting or enforcing any of the terms and conditions of this Stipulated Order after notice and opportunity for a hearing to the Debtor, the Secured Creditor, the United States Trustee, and any other party in interest, as the Bankruptcy Court may direct. In any action or proceeding to enforce or interpret this Stipulated Order, the Stipulated Order will be construed in a neutral manner, and no term or condition of this Stipulated Order, or the Stipulated Order as a whole, will be construed less favorably to any one party, or group of parties.

26. Modification. The terms and conditions set forth in the Loan Documents and this Stipulated Order may not be altered, modified or affected without the prior written consent of the Debtor and the Secured Creditor.

27. Consent and Mutual Agreement. Whenever any action may be taken under this Stipulated Order upon the prior written consent of the Secured Creditor or the prior mutual written agreement of the Secured Creditor and the Debtor, the action may be taken without any further notice or action or order of this Court. Any prior written consent or written agreement will be effective only if in a writing that is signed by the required party or parties after the date of execution of this Stipulated Order.

28. Further Assurances. Upon request of the other party, each party shall take all reasonable actions, including execution of additional documents and agreements, necessary or appropriate to carry out the terms, conditions, and intent of this Stipulated Order, and the Debtor is authorized to take such actions.

29. Notice. The Debtor and the Secured Creditor shall serve any writing required by this Stipulated Order to each of the following:

In the case of Secured Creditor:

JPMorgan Chase Bank
Attn: John McDonagh
Loan and Agency Services Group
270 Park Avenue
New York, New York 10017
Telephone: (212) 270-0502
Telecopier: (212) 552-5662

and

Richard Levin
Seth Goldman
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Ave., Suite 3400
Los Angeles, Calif. 90071
Telephone: (213) 687-5000
Telecopier: (213) 687-5600

In the case of Debtor:

AMERCO
c/o U-Haul International, Inc.
Attn: Andy Stevens
2727 N. Central Avenue
Phoenix, Arizona 85004
Telephone: (602) 263-6123
Telecopier: (602) 263-6889

and

Craig D. Hansen, Esq.
Jordan A. Kroop, Esq.
Squire, Sanders & Dempsey LLP
Two Renaissance Square, Suite 2700
40 North Central Avenue
Phoenix, Arizona 85004
Telephone: (602) 528-4000
Telecopier: (602) 253-8129

30. Headings. The headings in this Stipulated Order are inserted for convenience and are not a part of this Stipulated Order.

31. Survival of Obligations. The provisions of this Stipulated Order and any actions taken in accordance with this Stipulated Order shall survive entry of any order that may be entered (a) confirming any plan in any bankruptcy case of the Debtor or its subsidiaries; (b)

converting the Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code; or (c) dismissing the Bankruptcy Case. The claims and liens on the Collateral and the Postpetition Collateral shall continue in full force and effect and maintain their priority until all of the obligations owed to the Secured Creditor under the terms of the Loan Documents and this Stipulated Order are indefeasibly paid in full.

32. Binding Effect. This Stipulated Order shall be binding on and inure to the benefit of the Debtor, its estate, any representative of the Debtor or its estate, any trustee appointed in this case, whether under chapter 11 or chapter 7, any examiner with expanded or special powers to operate the Debtor's business appointed in this case, the Secured Creditor, and their respective successors and assigns.

33. Governing Law. Except to the extent that the federal law of the United States, including the Bankruptcy Code, preempts state law, this Stipulated Order will be construed and interpreted in accordance with the laws of the State of New York. Unless otherwise defined in this Stipulated Order, terms used in this Stipulated Order and defined or used in the Bankruptcy Code or the Bankruptcy Rules have the meanings defined or used therein.

34. Court Approval and Notice. The Debtor shall immediately serve a copy of this Stipulated Order upon any committee of creditors once appointed in this chapter 11 case, the twenty (20) largest creditors included on the lists filed pursuant to Federal Rule of Bankruptcy Procedure 1007(d), any party that has requested notice in the case, and the United States Trustee by first class mail, postage pre-paid. Such service is sufficient to afford reasonable notice of the material provisions of the agreement and opportunity for a hearing under Federal Rule of Bankruptcy Procedure 4001, and no other notice need be given. Any objections to the continued effectiveness of this Stipulated Order must be in writing and must be filed with this Court and served by overnight mail service within fifteen (15) days of the mailing of a copy of this Stipulated Order on:

(a) Squire, Sanders & Dempsey LLP, counsel to the Debtor, Two Renaissance Square, Suite 2700, 40 North Central Avenue, Phoenix, Arizona 85004, Attn: Craig D. Hansen, Esq. and Jordan A. Kroop, Esq.;

(b) Beesley, Peck & Matteoni Ltd., co-counsel to the Debtor, 5011 Meadowood Mall Way, Suite 300, Reno, Nevada 89502, Attn: Bruce T. Beesley, Esq.;

(c) Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Secured Creditor, 300 South Grand Avenue, Suite 3400, Los Angeles, California, 90071, Attn: Richard Levin and Seth Goldman;

(d) Woodburn and Wedge, co-counsel to the Secured Creditor, Sierra Plaza, 6100 Neil Road, Suite 500, Reno, NV 89511-1149, Attn: John Murtha; and

(e) The United States Trustee, 300 South Booth Street, Reno, Nevada 89509, Attn: Nicholas Strozza

If an objection is timely filed and served, a final hearing will be held on July 16, 2003 at 2:00 pm as the same may be continued or adjourned by this Court, in Room 1161, 300 Booth Street, Reno, Nevada 89509 (the "Final Hearing").

35. Final Order. If no objection is timely filed and served, this Court may enter an order continuing this Stipulated Order as a final order without conducting the Final Hearing.

Dated: June , 2003
Reno, Nevada

IT IS SO ORDERED this 20 day of June, 2003



HONORABLE GREGG W. ZIVE
UNITED STATES BANKRUPTCY JUDGE

SUBMITTED BY:
AMERCO

By: /s/ Bruce T. Beesley
Bruce T. Beesley (NV Bar No. 1164)
BEESLEY, PECK & MATTEONI, LTD
5011 Meadowood Mall Way, Suite 300
Reno, Nevada 89502
(775) 827-8666

and

Craig D. Hansen
Jordan A. Kroop
Thomas J. Salerno
SQUIRE, SANDERS & DEMPSEY LLP
Proposed Attorneys for the Debtor and Debtor in Possession
Two Renaissance Square, Suite 2700
40 North Central Avenue
Phoenix, Arizona 85004
(602) 528-4000
Proposed Attorneys for the Debtor and Debtor in Possession

APPROVED AS TO FORM AND SUBSTANCE

By: /s/ Richard Levin
Richard Levin
Van C. Durrer, II*
Seth Goldman
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071
(213) 687-5000
Counsel for JPMorgan Chase Bank

* Admitted in Delaware, District of Columbia, Maryland, and Virginia only.